

House File 2447 - Introduced

HOUSE FILE 2447

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A BILL FOR

1 An Act requiring that a certain portion of the tax incentives
2 and financial assistance provided under the high quality
3 jobs program administered by the economic development
4 authority be provided to projects located in small cities,
5 and including applicability provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.119, subsection 2, paragraph a,
2 subparagraph (1), Code 2018, is amended to read as follows:

3 (1) The high quality jobs program administered pursuant to
4 sections 15.326 through 15.336. Of the total amount of tax
5 credits allocated for purposes of this paragraph during each
6 fiscal year, at least fifty percent shall be allocated for
7 purposes of projects located in a small city. In the event
8 this small city allocation percentage is not satisfied in a
9 given fiscal year, a shortfall is declared to exist, and the
10 percentage of the total amount of tax credits allocated for
11 purposes of this paragraph during the succeeding fiscal year
12 that shall be allocated for purposes of projects located in a
13 small city shall be adjusted to equal an amount necessary to
14 reach the fifty percent small city allocation percentage for
15 that fiscal year, plus an amount equal to the shortfall for the
16 prior fiscal year or years. For purposes of this subparagraph,
17 "small city" means the same as defined in section 15.335A,
18 subsection 3.

19 Sec. 2. Section 15.335A, subsection 3, Code 2018, is amended
20 to read as follows:

21 3. (a) The authority shall negotiate the amount of tax
22 incentives provided to an applicant under the program in
23 accordance with [this section](#).

24 (b) At least fifty percent of the total amount of tax
25 incentives, not including the local property tax exemption,
26 awarded to applicants under the program each fiscal year shall
27 be awarded for projects located in a small city.

28 (c) In the event the tax incentive percentage in paragraph
29 "b" is not satisfied in a given fiscal year, a shortfall
30 is declared to exist, and the percentage of tax incentives
31 required to be awarded to projects located in a small city
32 shall be adjusted for the succeeding fiscal year to equal an
33 amount necessary to reach the fifty percent requirement in
34 paragraph "b" for that fiscal year, plus an amount equal to the
35 shortfall for the prior fiscal year or years.

(d) For purposes of this subsection, "*small city*" means any city or township located in this state, except those located within one or more of the eleven most populous counties in the state, as determined by the most recent federal decennial census. For the purposes of this part, a city that is located in more than one county shall be considered to be located in the county having the greatest taxable base within the city.

8 Sec. 3. Section 15.335B, subsection 2, paragraph a,
9 subparagraph (1), Code 2018, is amended to read as follows:

10 (1) (a) For providing project completion assistance to
11 eligible businesses under this part and for program support of
12 such assistance.

13 (b) At least fifty percent of the total amount of financial
14 assistance provided to eligible businesses under this program
15 each fiscal year shall be provided for projects located in a
16 small city.

(c) In the event the financial assistance percentage in subparagraph division (b) is not satisfied in a given fiscal year, a shortfall is declared to exist, and the percentage of financial assistance required to be provided to projects located in a small city shall be adjusted for the succeeding fiscal year to equal an amount necessary to reach the fifty percent requirement in subparagraph division (b) for that fiscal year, plus an amount equal to the shortfall for the prior fiscal year or years.

26 (d) For purposes of this subparagraph, "small city" means
27 the same as defined in section 15.335A, subsection 3.

28 Sec. 4. APPLICABILITY. This Act applies to high quality
29 jobs program agreements entered into on or after the effective
30 date of this Act.

31	EXPLANATION
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32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill relates to the high quality jobs program (program)
35 administered by the economic development authority (authority).

1 Under the program, the authority provides various tax
2 incentives and financial assistance to eligible businesses that
3 complete projects in Iowa. The bill requires that at least 50
4 percent of the tax incentives awarded or financial assistance
5 provided by the authority each fiscal year shall be awarded
6 or provided to projects located in a small city. The bill
7 defines "small city" to mean any city or township located in
8 this state, except those located within one or more of the 11
9 most populous counties in the state, as determined by the most
10 recent federal decennial census. If a city is located in more
11 than one county, it is considered to be located in the county
12 having the greatest taxable base within the city.

13 In the event this small city percentage is not satisfied in
14 a given fiscal year, a shortfall is declared to exist, and the
15 percentage of tax incentives awarded or financial assistance
16 provided to projects in a small city in the succeeding fiscal
17 year shall be adjusted to equal an amount necessary to reach
18 the 50 percent requirement for that fiscal year, plus an amount
19 equal to the shortfall for the prior fiscal year or years.

20 The bill applies to high quality jobs program agreements
21 entered into on or after the effective date of the bill.